



# ZIEGLER CHEMICAL & MINERAL CORP.

100 JERICHO QUADRANGLE, JERICHO, NEW YORK 11753

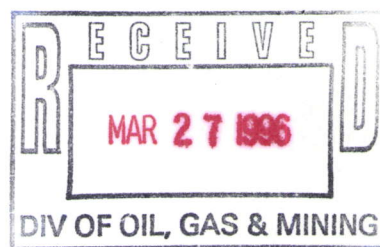
TEL: 516-681-9600

FAX: 516-681-9604

*M/047/013*

March 25, 1996

Mr. D. Wayne Hedberg  
Permit Supervisor  
Minerals Reclamation Program  
State of Utah Dept. of Natural Resources  
Division of Oil, Gas and Mining  
355 West North Temple  
3 Triad Center, Ste. 350  
Salt Lake City, UT 84180-1203



Dear Wayne:

Per your letter of March 18, 1996, enclosed please find the signed reclamation contract. Our bank, National Westminster Bank, has advised that the amended Letter of Credit for \$113,900.00 should be received in your department by March 28, 1996.

If any additional information is needed, please contact me.

Sincerely,

ZIEGLER CHEMICAL & MINERAL CORP.

*William J. Hyland*

William J. Hyland  
Vice President - Finance

WJH:db  
Encl.

cc: Gordon S. Ziegler, Jr.

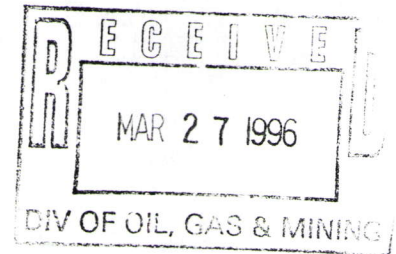
File Number M/047/013

Effective Date 3/27/96

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION of OIL, GAS and MINING  
355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203  
(801) 538-5340

RECLAMATION CONTRACT

---ooOoo---



For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.)  
(Mineral Mined)

M/047/013

Gilsonite

"MINE LOCATION":

(Name of Mine)

Ziegler Gilsonite Mine

(Description)

Underground Mines in

Uintah County, Utah

"DISTURBED AREA":

(Disturbed Acres)

33.34

(Legal Description)

(refer to Attachment "A")

"OPERATOR":

(Company or Name)

Ziegler Chemical & Mineral Corporation

(Address)

100 Jericho Quad

Jericho, New York 11753

(Phone)

(516) 681-9600

"OPERATOR'S REGISTERED AGENT":

(Name)

McKeachnie & Allred

(Address)

Gayle F. McKeachnie

363 East Main

Vernal, Utah 84078

(Phone)

(801) 789-4908

"OPERATOR'S OFFICER(S)":

Gordon Ziegler, Jr., President

T. Dibartolomeo, Vice President

Norman Haslem, Manager, Vernal, Utah Office

"SURETY":

(Form of Surety - Attachment B)

Irrevocable Letter of Credit

"SURETY COMPANY":

(Name, Policy or Acct. No.)

National Westminster Bank, USA

"SURETY AMOUNT":

(Escalated Dollars)

\$113,900

"ESCALATION YEAR":

1999

"STATE":

State of Utah

"DIVISION":

Division of Oil, Gas and Mining

"BOARD":

Board of Oil, Gas and Mining

ATTACHMENTS:

A "DISTURBED AREA":

B "SURETY":

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between Ziegler Chemical the "Operator" and the Utah State Board of Oil, Gas and Mining ("Board").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. M/047/013 which has been approved by the Utah State Division of Oil, Gas and Mining "Division" under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator's approved Reclamation Plan, and Operator is obligated to provide surety in form and amount approved by the Board, to assure reclamation of the Disturbed Area.



NOW, THEREFORE, the Board and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the original Notice of Intention dated July 16, 1986, and the original Reclamation Plan dated July 16, 1986. The Notice of Intention as amended, and the Reclamation Plan, as amended, are incorporated by this reference and made a part hereof.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Board. Such surety as evidenced by the Surety Contract is in the form of the surety attached hereto as Attachment B and made a part hereof. The Surety Contract shall remain in full force and effect according to its terms unless modified by the Board in writing. If the Surety Contract expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the Surety Contract, the Operator shall provide a replacement Surety Contract in a form and amount reasonably acceptable to the Board. If the Operator fails to provide an acceptable replacement Surety Contract, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.
3. Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
6. If reclamation of discrete sections of the Disturbed Area is completed to the satisfaction of the Division, and the Division finds that such sections are severable from the remainder of the Disturbed Area, Operator may request the Division to certify that Operator has reclaimed such discrete sections of the Disturbed Area in accordance with the Act and Implementing rules, the Notice of Intention, as


amended and the Reclamation Plan, as amended. If the Division makes such certification, Operator may make request to the (Board) that the aggregate face amount of the Surety Contract provided pursuant to paragraph 2 be reduced to an amount necessary to provide for completion of the remaining reclamation. The (Board) shall hear Operator's request for such reduction in accordance with the Board's Procedural Rules concerning requests for Agency Action.

7. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
8. Operator may, at any time, submit a request to the Board to substitute surety. The Board, in its sole judgment and discretion, may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
9. This Contract shall be governed and construed in accordance with the laws of the State of Utah.
10. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.
11. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Board of Oil, Gas and Mining may enter an order to revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety Contract, or take such other action as is authorized by law.
12. In the event of forfeiture of the Surety Contract, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety Contract, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
13. This Contract including the Notice of Intention, as amended and the Reclamation Plan, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.

14. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

Ziegler Chemical and Mineral Corporation  
Operator Name

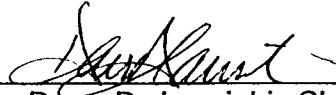
By: GORDON S. ZIEGLER, JR  
Authorized Officer (Typed or Printed) PRES

 MAR 25/1996  
Authorized Officer's Signature Date

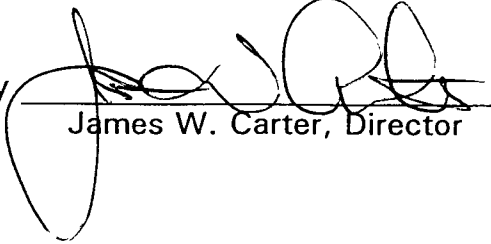
=====

SO AGREED this 27th day of March, 1996

AND APPROVED AS TO FORM AND AMOUNT OF SURETY:

BY   
Dave D. Lauriski, Chairman  
Utah State Board of Oil, Gas and Mining

DIVISION OF OIL, GAS AND MINING:

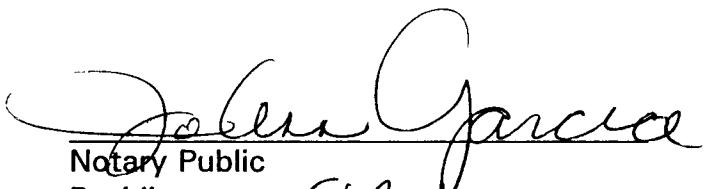
By   
James W. Carter, Director

Date March 27, 1996

STATE OF Utah )  
COUNTY OF SLC ) ss:

On the 27th day of March, 1996, personally appeared before me, who being duly sworn did say that he/she, the said James W. Carter is the Director of the Division of Oil, Gas and Mining, Department of Natural Resources, State of Utah, and he/she duly acknowledged to me that he/she executed the foregoing document by authority of law on behalf of the State of Utah.



  
Notary Public  
Residing at: SLC

5/26/97  
My Commission Expires:



OPERATOR:

Ziegler Chemical and Mineral Corporation  
Operator Name

By *Gordon S. Ziegler, Jr.*  
Corporate Officer - Position *Pres*

Date *3/20/96*

*GORDON S. ZIEGLER, JR.*  
Signature

STATE OF *New York* )  
COUNTY OF *Nassau* ) ss:

On the *26* day of *March*, 19 *96*, personally  
appeared before me *Gordon S. Bugler, Jr.* who  
being by me duly sworn did say that he/she, the said *Corporate Officer Gordon S. Bugler, Jr.*  
is the *President* of *Ziegler Chemical & Mineral Corp.*  
and duly acknowledged that said instrument was signed on behalf of said company  
by authority of its bylaws or a resolution of its board of directors and said  
*Gordon S. Bugler, Jr.* duly acknowledged to me that said  
company executed the same.

*Nancy Chiesa*  
Notary Public  
Residing at: *29 Mark Dr. Smithtown NY 11787*

*July 10, 1996*  
My Commission Expires:

NANCY E. CHIESA  
Notary Public, State of New York  
No. 4953433 Reg. in Suffolk,  
Qualified in Nassau County  
Commission Expires July 10, 19*96*



# ATTACHMENT "A"

Ziegler Chemical & Mineral Corp.  
Operator

Ziegler Gilsonite Mines  
Mine Name

M/047/013  
Permit Number

Uintah County, Utah

## The legal description of lands to be disturbed is:

<u>Name</u>	<u>Legal Description</u>	<u>Acres</u>
Independent 3	T9S, R24E, Sec. 16: SE1/4 of NE1/4	1.38
Independent 4	T9S, R24E, Sec. 16: SW1/4 of NE1/4	1.41
Independent 5 (ML851A)	T9S, R24E, Sec. 16: NW1/4 of NE1/4	1.20
Little Bonanza 3	T9S, R24E, Sec. 16: SW1/4 of SE1/4	1.14
Little Bonanza 8	T9S, R24E, Sec. 16: SE1/4 of SE1/4	1.00
Little Bonanza 8A	T9S, R24E, Sec 15: SW1/4 of SW1/4	1.00
Little Bonanza 11	T9S, R24E, Sec. 22: NE1/4 of NW1/4	1.01
Little Bonanza 12	T9S, R24E, Sec. 22: NE1/4 of NW1/4	1.51
Little Emma 1	T9S, R24E, Sec. 30: SE1/4 of SE1/4	1.10
Cottonwood 1 & 2	T10S, R21E, Sec. 29: NE1/4 of SE1/4	1.24
Cottonwood 3	T10S, R21E, Sec. 29: SW1/4 of NW1/4 and T10S, R21E, Sec. 30: SE1/4 of NE1/4	1.50
Cowboy Federal #1	T8S, R21E, Sec. 33: SW1/4 of SW1/4 of SE1/4	3.30
Z1-95-1	T9S, R24E, Sec. 16: NE1/4 of NW1/4 of NW1/4	4.55
		<u>21.34</u>

## Processing Facilities:

T9S, R24E, Sec. 22: NW1/4 of NW1/4	3.00
T9S, R24E, Sec. 15: SW1/4 of SW1/4	5.00
T9S, R24E, Sec. 16: SW1/4 of SE1/4	4.00
	<u>12.00</u>

Total All 33.34

END FILE 4/047/013

FLEET BANK, N.A.  
TRADE SERVICES DEPARTMENT  
175 WATER STREET - 3RD FLOOR  
NEW YORK, NEW YORK 10038

TELEPHONE: (800) 370-7519 EXT. 4214  
FACSIMILE: (717) 330-4187

DATE: JUNE 20, 1996

**BENEFICIARY:**

UTAH DIVISION OF OIL, GAS AND  
MINING  
3 TRIAD CENTER, SUITE 350  
SALT LAKE CITY, UTAH 84180-1203

**APPLICANT:**

ZIEGLER CHEMICAL AND MINERAL  
CORPORATION  
100 JERICHO QUADRANGLE  
JERICHO, NY 11753

**SUB: STANDBY L/C NUMBER**

ISSUED BY NATIONAL WESTMINSTER BANK USA, NATIONAL  
WESTMINSTER BANK NJ, OR NATWEST BANK N.A.

WE ARE PLEASED TO INFORM YOU THAT EFFECTIVE MAY 1, 1996, THE  
NATWEST BANK N.A. (FORMERLY NATIONAL WESTMINSTER BANK USA AND  
NATIONAL WESTMINSTER BANK NJ) HAS BEEN ACQUIRED BY FLEET  
FINANCIAL GROUP, INC., AND HAS BEEN RENAMED FLEET BANK,  
NATIONAL ASSOCIATION.

THE FLEET PENNSYLVANIA SERVICES, INC. (FORMERLY NATWEST  
SERVICES, INC.), TRADE SERVICES DEPARTMENT, STANDBY UNIT WILL  
CONTINUE TO SERVICE YOUR LETTER OF CREDIT TRANSACTIONS. PLEASE  
PRESENT YOUR DOCUMENTS AND ANY INQUIRIES AT THE ADDRESS AND  
TELEPHONE NUMBERS LISTED BELOW:

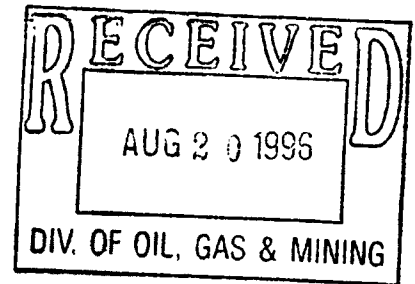
FLEET BANK, N.A.  
C/O FLEET PENNSYLVANIA SERVICES INC.  
TRADE SERVICES DEPARTMENT-STANDBY UNIT  
175 WATER STREET, THIRD FLOOR  
NEW YORK, NY 10038

**OUR TELEPHONE NUMBERS ARE:**

FOR ISSUANCE AND AMENDMENTS (800) 370-7519 EXT. 4214  
FOR PAYMENTS AND OTHER INQUIRIES (800) 370-7519 EXT. 4216

WE APPRECIATE YOUR COOPERATION AND LOOK FORWARD TO BEING OF  
SERVICE TO YOU. IF YOU HAVE ANY QUESTIONS, PLEASE FEEL FREE TO  
CALL US.

FLEET BANK, NATIONAL ASSOCIATION  
TRADE SERVICES DEPARTMENT  
STANDBY UNIT



NATWEST BANK N.A.  
TRADE SERVICES DEPARTMENT  
175 WATER STREET - 3RD FLOOR  
NEW YORK, NEW YORK 10038

TELEPHONE: (717) 330-4214  
FACSIMILE: (717) 330-4187

DATE: MARCH 26, 1996

AMENDMENT NUMBER: 006  
TO OUR STANDBY LETTER OF CREDIT NO.:

BENEFICIARY:

FOR ACCOUNT OF:

UTAH DIVISION OF OIL, GAS AND  
MINING

3 TRIAD CENTER, SUITE 350

SALT LAKE CITY, UTAH 84180-1203

ZIEGLER CHEMICAL AND MINERAL  
CORPORATION

100 JERICO QUADRANGLE

JERICO, NY 11753

*Amendments  
went from #'s  
004 to 006 -  
there is not  
a #005*

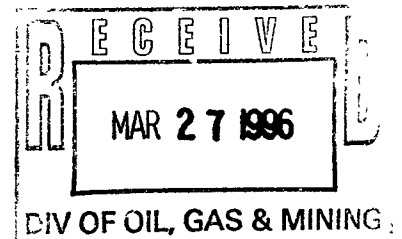
OUR SUBJECT LETTER OF CREDIT IS NOW AMENDED AS FOLLOWS:

THIS LETTER OF CREDIT IS INCREASED BY USD 8,600.00  
TO A NEW BALANCE NOT EXCEEDING USD 113,900.00

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

  
AUTHORIZED SIGNATURE

*P-25,*



NATIONAL WESTMINSTER BANK USA  
TRADE SERVICES DEPARTMENT  
80 PINE STREET - 11TH FLOOR  
NEW YORK, NEW YORK 10005-1702  
TELEPHONE: (212) 602-1168  
FACSIMILE: (212) 602-1544

DATE: FEBRUARY 25, 1994

AMENDMENT NUMBER: 004  
TO OUR STANDBY LETTER OF CREDIT NO.:

BENEFICIARY:

FOR ACCOUNT OF:

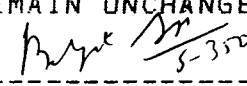
UTAH DIVISION OF OIL, GAS AND  
MINING  
3 TRIAD CENTER, SUITE 350  
SALT LAKE CITY, UTAH 84180-1203

ZIEGLER CHEMICAL AND MINERAL CO.  
100 JERICHO QUADRANGLE  
JERICHO, NY 11753

EFFECTIVE MARCH 1, 1994, OUR SUBJECT LETTER OF CREDIT IS NOW  
AMENDED AS FOLLOWS:

THIS LETTER OF CREDIT IS INCREASED BY US\$15,800.00  
TO A NEW BALANCE NOT EXCEEDING US\$105,300.00

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

  
-----  
AUTHORIZED SIGNATURE

RECEIVED

MAR 10 1994

UTAH DIVISION OF OIL, GAS & MINING



NATIONAL WESTMINSTER BANK USA  
TRADE SERVICES DEPARTMENT  
80 PINE STREET - 11TH FLOOR  
NEW YORK, NEW YORK 10005-1702  
TEL. (212) 602-1240

DATE: JANUARY 08, 1993

AMENDMENT NO. 003  
TO OUR STANDBY L/C NO.

BENEFICIARY:

UTAH DIVISION OF OIL, GAS AND  
MINING  
3 TRIAD CENTER, SUITE 350  
SALT LAKE CITY, UTAH 84180-1203

FOR ACCOUNT OF:

ZIEGLER CHEMICAL & MINERAL COR  
100 JERICO QUADRANGLE  
JERICO, NY 11753

OUR SUBJECT LETTER OF CREDIT IS AMENDED AS FOLLOWS:


1) THE LAST SENTENCE IN ITEM 7 NOW READS:

"IN THE EVENT OF A CONFLICT BETWEEN UTAH LAW AND THE UCP,  
UTAH LAW SHALL GOVERN."

2) AMENDMENT NO. 002 DATED DECEMBER 29, 1992, IS CORRECTED  
AS FOLLOWS:

THE AMOUNT IN PARAGRAPH NO. 1 SHOWING AS USD69,100.00 NOW  
READS USD89,500.00.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

  
AUTHORIZED SIGNATURE

RECEIVED

JAN 15 1993

DIVISION OF  
OIL, GAS & MINING

RECEIVED

DEC 30 1992

NATIONAL WESTMINSTER BANK USA  
TRADE SERVICES DEPARTMENT  
80 PINE STREET - 11TH FLOOR  
NEW YORK, NEW YORK 10005-1702  
TEL. (212) 602-1240

DIVISION OF  
OIL, GAS & MINING

DATE: DECEMBER 29, 1992

AMENDMENT NO. 002  
TO OUR STANDBY L/C NO. \_\_\_\_\_

BENEFICIARY:

FOR ACCOUNT OF:

STATE OF UTAH, DEPARTMENT OF  
NATURAL RESOURCES, DIVISION OF  
OIL, GAS AND MINING  
355 WEST NORTH TEMPLE  
3 TRIAD CENTER, SUITE 350  
SALT LAKE CITY, UTAH 84180-1203

ZIEGLER CHEMICAL & MINERAL CORP.  
100 JERICO QUADRANGLE  
JERICO, NY 11753

OUR SUBJECT LETTER OF CREDIT IS AMENDED TO READ AS FOLLOWS:

QUOTE

IRREVOCABLE STANDBY LETTER OF CREDIT NO. S091527

BENEFICIARY:

APPLICANT:

UTAH DIVISION OF OIL, GAS AND  
MINING  
3 TRIAD CENTER, SUITE 350  
SALT LAKE CITY, UTAH 84180-1203

ZIEGLER CHEMICAL & MINERAL CORP.  
100 JERICO QUADRANGLE  
JERICO, NY 11753

AMOUNT: USD 89,500.00

EXPIRY DATE : JANUARY 01, 1994

EXPIRY PLACE: OUR COUNTERS

GENTLEMEN:

1. NATIONAL WESTMINSTER BANK USA, 80 PINE STREET, 11TH FLOOR,  
NEW YORK, NY 10005, ATTN: STANDBY LETTER OF CREDIT UNIT,  
("BANK") HEREBY ESTABLISHES THIS IRREVOCABLE LETTER OF CREDIT  
(THE "LETTER OF CREDIT") IN FAVOR OF UTAH DIVISION OF OIL, GAS  
AND MINING ("DIVISION") FOR AN AGGREGATE AMOUNT NOT TO EXCEED  
USD 89,500.00 (U.S. DOLLARS SIXTY NINE THOUSAND ONE HUNDRED AND  
00/100 ), ("FACE AMOUNT") EFFECTIVE IMMEDIATELY.

2. THIS LETTER OF CREDIT WILL EXPIRE UPON THE FIRST EVENT SET  
FORTH AS FOLLOWS:

A) 5:00 O'CLOCK P.M. NEW YORK TIME ON JANUARY 01, 1994 OR

B) THE DATE UPON WHICH SUFFICIENT DOCUMENTS ARE EXECUTED BY THE  
DIVISION TO RELEASE ZIEGLER CHEMICAL & MINERAL CORP.

("OPERATOR") FROM FURTHER LIABILITY FOR RECLAMATION OF THE  
GILSONITE MINES M/047/013 WITH NOTICE TO THE BANK BY THE

DIVISION ACCOMPANIED BY THE ORIGINAL LETTER OF CREDIT WITH DIRECTIONS FOR CANCELLATION.

3. THIS LETTER OF CREDIT WILL BE AUTOMATICALLY EXTENDED FOR SUCCESSIVE PERIODS OF ONE YEAR FROM THE CURRENT OR ANY FUTURE EXPIRATION DATE UNLESS THE BANK GIVES NOTICE TO THE DIVISION NINETY DAYS PRIOR TO THE EXPIRATION DATE THAT BANK ELECTS NOT TO RENEW THE LETTER OF CREDIT.

4. FUNDS UNDER THE LETTER OF CREDIT ARE AVAILABLE AGAINST THE DIVISION'S SIGHT DRAFT, IN THE FORM OF EXHIBIT A, SPECIFYING LETTER OF CREDIT NO. S091527 DELIVERED TO THE OFFICE OF THE BANK, 80 PINE STREET, 11TH FLOOR, NEW YORK, NY 10005, ATTN: STANDBY LETTER OF CREDIT UNIT. AT THE DIVISION'S SOLE ELECTION, THE DIVISION MAY PRESENT SIGHT DRAFTS FOR LESS THAN THE FACE AMOUNT SO LONG AS THE AGGREGATE AMOUNT OF ALL SIGHT DRAFTS DOES NOT EXCEED THE FACE AMOUNT. EACH DRAFT MUST BE ACCOMPANIED BY A CERTIFICATE IN THE FORM OF EXHIBIT B, SIGNED BY A PURPORTED DULY AUTHORIZED REPRESENTATIVE OF THE DIVISION.

5. IF THE BANK RECEIVES THE DIVISION'S SIGHT DRAFT(S) AND CERTIFICATE(S) AS PROVIDED IN PARAGRAPH NO. 4 ABOVE ON OR BEFORE THE EXPIRATION OR TERMINATION OF THIS LETTER OF CREDIT, THE BANK WILL MAKE SUCH AMOUNT AS THE DIVISION MAY SPECIFY, WITHIN THE LIMITS OF THE SECOND SENTENCE OF PARAGRAPH NO. 4 OF THIS LETTER OF CREDIT, AVAILABLE TO THE DIVISION NO LATER THAN THE CLOSE OF BUSINESS, NEW YORK CITY TIME, ON THE SECOND BUSINESS DAY FOLLOWING THE BANK'S RECEIPT OF THE SIGHT DRAFT AND CERTIFICATE AND IN SUCH A MANNER AS THE DIVISION MAY SPECIFY.

6. THE BANK WILL GIVE PROMPT NOTICE TO THE OPERATOR AND TO THE DIVISION DIRECTOR OF ANY NOTICE RECEIVED OR ACTION FILED ALLEGING THE INSOLVENCY OR BANKRUPTCY OF THE BANK, OR ALLEGING ANY VIOLATIONS OF REGULATORY REQUIREMENTS WHICH COULD RESULT IN SUSPENSION OR REVOCATION OF THE BANK'S CHARTER OR LICENSE TO DO BUSINESS.

7. THE LETTER OF CREDIT WILL BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK AND SHALL BE SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (1983 REVISION), THE INTERNATIONAL CHAMBER OF COMMERCE, PUBLICATION NO. 400, AS THE SAME MAY BE AMENDED AND IN EFFECT FROM TIME TO TIME ("UCP"). IN THE EVENT OF A CONFLICT BETWEEN NEW YORK LAW AND THE UCP, NEW YORK LAW SHALL GOVERN.

8. ALL COMMUNICATIONS REGARDING THIS LETTER OF CREDIT WILL BE ADDRESSED TO THE BANK, AT 80 PINE STREET, 11TH FLOOR, NEW YORK, NY 10005, ATTN: STANDBY LETTER OF CREDIT UNIT, REFERENCING LETTER OF CREDIT NO. S091527, DATED JUNE 24, 1992.

VERY TRULY YOURS,

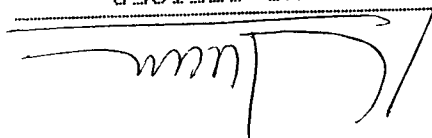
NATIONAL WESTMINSTER BANK USA

ALL OTHER TERMS AND CONDITIONS REMAIN THE SAME.

UNQUOTE

OPERATIONS OFFICER

BY:

A handwritten signature, possibly reading "Lum", is written over a horizontal line.



THIS EXHIBIT FORMS AN INTERGRAL PART OF LETTER OF CREDIT

EXHIBIT A

_____ DATE	_____ CITY, COUNTY	_____ LETTER OF CREDIT NO.
PAY TO OURSELVES *		_____ DOLLARS

TO: UTAH DIVISION OF OIL, GAS AND  
MINING  
3 TRIAD CENTER, SUITE 350  
SALT LAKE CITY, UTAH 84180-1203

UTAH DIVISION OF OIL, GAS AND MINING

\_\_\_\_\_  
AUTHORIZED SIGNATURE

\*BY WIRE TRANSFER IN UNITED STATES DOLLARS TO:  
UTAH DIVISION OF OIL, GAS AND MINING

THIS EXHIBIT FORMS AN INTERGRAL PART OF LETTER OF CREDIT

EXHIBIT B

I, \_\_\_\_\_ A DULY AUTHORIZED REPRESENTATIVE OF THE  
UTAH DIVISION OF OIL, GAS AND MINING, HEREBY CERTIFY THAT  
(1) THE DRAWING IN THE AMOUNT OF \$\_\_\_\_\_, BY SIGHT DRAFT  
ACCOMPANYING THIS CERTIFICATE, UNDER LETTER OF CREDIT NO.  
S091527 DATED JUNE 24, 1992 ISSUED BY YOU IS PERMITTED  
UNDER THE PROVISION OF THE LETTER OF CREDIT, (2) THE LETTER  
OF CREDIT HAS NEITHER EXPIRED NOR TERMINATED PURSUANT TO  
ITS TERMS, AND (3) THE AMOUNT OF THE SIGHT DRAFT, TOGETHER  
WITH ANY AMOUNTS PREVIOUSLY DRAWN UNDER THE LETTER OF CREDIT  
DOES NOT EXCEED THE FACE AMOUNT. PROCEEDS OF THIS DRAWING  
WILL BE UTILIZED IN FULL TO PAY THE EXPENSE RELATING TO THE  
RECLAMATION LIABILITY FOR THE GILSONITE MINES M/047/013.

THE UTAH DIVISION OF OIL, GAS AND MINING

BY: \_\_\_\_\_  
AUTHORIZED SIGNATURE

DATE \_\_\_\_\_

RECEIVED

DEC 14 1992

DIVISION OF  
OIL GAS & MINING

AUTHORIZED SIGNATURE



ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

2) EXPIRATION DATE IS EXTENDED TO JANUARY 01, 1994

1) LETTER OF CREDIT AMOUNT INCREASED BY US\$20,400.00  
TO A NEW BALANCE NOT EXCEEDING US\$89,500.00.

OUR SUBJECT LETTER OF CREDIT IS AMENDED AS FOLLOWS:

STATE OF UTAH, DEPARTMENT OF  
NATURAL RESOURCES, DIVISION OF  
OIL, GAS AND MINING  
355 WEST NORTH TEMPLE  
3 TRIAD CENTER, SUITE 350  
SALT LAKE CITY, UTAH 84180-1203

ZIEGLER CHEMICAL & MINERAL CORP.  
100 JERICHO QUADRANGLE  
JERICHO, NY 11753

FOR ACCOUNT OF:

BENEFICIARY:

AMENDMENT NO. 001  
TO OUR STANDBY L/C NO. —

DATE: DECEMBER 08, 1992

NATIONAL WESTMINSTER BANK USA  
TRADE SERVICES DEPARTMENT  
80 PINE STREET - 11TH FLOOR  
NEW YORK, NEW YORK 10005-1702  
TEL. (212) 602-1240

M/047/013

m/047/013

RECEIVED

JUN 25 1992

DIVISION OF  
OIL, GAS & MINING

NATIONAL WESTMINSTER BANK USA  
TRADE SERVICES DEPARTMENT  
80 PINE STREET - 11TH FLOOR  
NEW YORK, NEW YORK 10005-1702  
TEL. (212) 602-1240

DATE: JUNE 24, 1992

IRREVOCABLE CLEAN LETTER OF CREDIT NO.

BENEFICIARY:

APPLICANT:

STATE OF UTAH, DEPARTMENT OF ZIEGLER CHEMICAL & MINERAL CORP.  
NATURAL RESOURCES, DIVISION OF 100 JERICHO QUADRANGLE  
OIL, GAS AND MINING JERICHO, NY 11753  
355 WEST NORTH TEMPLE  
3 TRIAD CENTER, SUITE 350  
SALT LAKE CITY, UTAH 84180-1203

AMOUNT: USD 69,100.00  
EXPIRY DATE : JANUARY 01, 1993  
EXPIRY PLACE: OUR COUNTERS

GENTLEMEN:

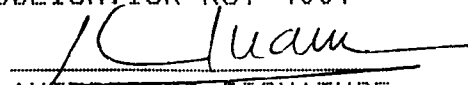
WE HEREBY ISSUE OUR IRREVOCABLE CLEAN LETTER OF CREDIT NUMBER  
' IN YOUR FAVOR FOR THE ACCOUNT OF ZIEGLER CHEMICAL AND  
MINERAL CORP., FOR UP TO AN AGGREGATE AMOUNT OF USD 69,100.00  
(U.S. DOLLARS SIXTY NINE THOUSAND ONE HUNDRED AND 00/100 ),  
AVAILABLE BY YOUR DRAFT DRAWN ON US AT SIGHT.

PARTIAL DRAWINGS ARE NOT PERMITTED.

DRAFT MUST STATE: "DRAWN UNDER NATIONAL WESTMINSTER BANK USA  
CLEAN L/C NO. \_\_\_\_\_ DATED JUNE 24, 1992".

WE HEREBY AGREE WITH YOU THAT DRAFT DRAWN UNDER AND IN  
COMPLIANCE WITH THE TERMS OF THIS LETTER OF CREDIT SHALL BE  
DULY HONORED UPON DUE PRESENTATION TO US.

THIS CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE  
FOR DOCUMENTARY CREDITS (1983 REVISION), THE INTERNATIONAL  
CHAMBER OF COMMERCE, PUBLICATION NO. 400.

  
AUTHORIZED SIGNATURE

K-195



M/ 7/013

NATIONAL WESTMINSTER BANK USA  
TRADE SERVICES DEPARTMENT  
80 PINE STREET - 11TH FLOOR  
NEW YORK, NEW YORK 10005-1702  
TEL. (212) 602-1240

DATE: MAY 30, 1991

AMENDMENT NO. 001  
TO OUR STANDBY L/C NO. —

BENEFICIARY:

FOR ACCOUNT OF:

STATE OF UTAH, DEPARTMENT OF ZIEGLER CHEMICAL AND MINERAL CO.  
NATURAL RESOURCES, DIVISION OF 100 JERICHO QUADRANGLE  
OIL, GAS AND MINING JERICHO, NY 11753  
355 WEST NORTH TEMPLE  
3 TRIAD CENTER, SUITE 350  
SALT LAKE CITY, UTAH 84180-1203

OUR SUBJECT LETTER OF CREDIT IS AMENDED AS FOLLOWS:

EXPIRATION DATE IS EXTENDED TO MAY 20, 1992

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED

  
AUTHORIZED SIGNATURE

RECEIVED

MAY 31 1991

DIVISION OF  
OIL GAS & MINING

NATIONAL WESTMINSTER BANK USA  
TRADE SERVICES DEPARTMENT  
80 PINE STREET - 11TH FLOOR  
NEW YORK, NEW YORK 10005-1702  
TEL. (212) 602-1240

DATE: MAY 23, 1991

IRREVOCABLE CLEAN LETTER OF CREDIT NO.

BENEFICIARY:

APPLICANT:

STATE OF UTAH, DEPARTMENT OF  
NATURAL RESOURCES, DIVISION OF  
OIL, GAS AND MINING  
355 WEST NORTH TEMPLE  
3 TRIAD CENTER, SUITE 350  
SALT LAKE CITY, UTAH 84180-1203

ZIEGLER CHEMICAL AND MINERAL CO.  
100 JERICHO QUADRANGLE  
JERICHO, NY 11753

AMOUNT: USD 69,100.00  
EXPIRY DATE : JUNE 30, 1991  
EXPIRY PLACE: OUR COUNTERS

GENTLEMEN:

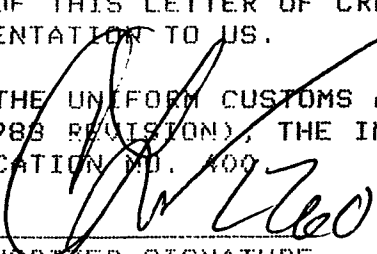
WE HEREBY ISSUE OUR IRREVOCABLE CLEAN LETTER OF CREDIT NUMBER  
\_\_\_\_\_ IN YOUR FAVOR FOR THE ACCOUNT OF ZIEGLER CHEMICAL AND  
MINERAL CO., FOR UP TO AN AGGREGATE AMOUNT OF USD 69,100.00  
(U.S. DOLLARS SIXTY NINE THOUSAND ONE HUNDRED AND 00/100 ),  
AVAILABLE BY YOUR DRAFT(S) DRAWN ON US AT SIGHT.

PARTIAL DRAWINGS ARE NOT PERMITTED.

DRAFT(S) MUST STATE: "DRAWN UNDER NATIONAL WESTMINSTER BANK USA  
CLEAN L/C NO. \_\_\_\_\_ DATED MAY 23, 1991".

WE HEREBY AGREE WITH YOU THAT DRAFTS DRAWN UNDER AND IN  
COMPLIANCE WITH THE TERMS OF THIS LETTER OF CREDIT SHALL BE  
DULY HONORED UPON DUE PRESENTATION TO US.

THIS CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE  
FOR DOCUMENTARY CREDITS (1988 REVISION), THE INTERNATIONAL  
CHAMBER OF COMMERCE, PUBLICATION NO. 400.

  
\_\_\_\_\_  
AUTHORIZED SIGNATURE

RECEIVED

MAY 24 1991

DIVISION OF  
OIL GAS & MINING